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ZNR UUUUU ZZH  
P 061302Z OCT 08  
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TO RUEHC/SECSTATE WASHDC PRIORITY 0012  
INFO RUEHEE/ARAB LEAGUE COLLECTIVE  
RUEHLO/AMEMBASSY LONDON 0565  
RUEHFR/AMEMBASSY PARIS 0452

UNCLAS MUSCAT 000708

SIPDIS

STATE FOR NEA/ARP, NEA/PPD, NEA/PI, INR/R/MR, NEA/SA/EX/PMO  
LONDON FOR NEA WATCHER  
PARIS FOR NEA WATCHER  
FOREIGN PRESS CENTER FOR NEA WATCHER

E.O. 12958: N/A  
TAGS: [OIIP](#) [KPAO](#) [KMDR](#) [MU](#)  
SUBJECT: OMAN MEDIA REACTION

1. SUMMARY: This week, Omani dailies continued to comment on the global financial crisis and the Middle East peace process. Government Arabic daily "Oman" sounded another call for governments to act with fiscal responsibility. "Oman" also predicted a stagnation of the Middle East peace process amid Israel's change in leadership. END SUMMARY.

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"NOT FOR THE SAKE OF MERE CONTROL"  
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2. On October 4, Arabic government daily "Oman" (circulation 38,000) commented on the need for central banks to monitor banking practices. According to "Determination to Resolve the Crisis Helps to Reach a Solution":

"The current crisis has confirmed the significance of central banks and their roles in controlling and monitoring the performance of financial and banking systems. This is not for the sake of mere control or government intervention, but for the sake of performance and preparedness to address potential problems in advance."

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"A LONG PERIOD OF STAGNATION"  
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3. On October 5, "Oman" wrote that the peace process between Israel and Palestine is stalling. According to "The Peace Process Heads Toward Long Stagnation":

"Both Palestinians and Israelis have hope in the new Israeli leadership. Many believe that change might occur sometime in the near future regarding peace talks between the two countries....[but] the prevailing situation in Israel, the United States and the Palestinian territories suggests that the peace process is heading toward a long period of stagnation."

GRAPPO